



**EC 205 Macroeconomics I**

Fall 2023

**Syllabus**

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**Lectures:** Section 01: T45 EF 206 (Tuesday 12:00-13:50 Faculty of Education 206) & Th5 NB 119 (Thursday 13:00-13:50 Natuk Birkan 119)

Section 02: T78 EF 206 (Tuesday 15:00-16:50 Faculty of Education 206) & Th7 NB 119 (Thursday 15:00-15:50 Natuk Birkan 119)

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**Office Hours:** F56 (Friday 14:00-14:50) or by appointment (NB 222A)

**Course website:** Boğaziçi University Moodle  
<http://moodle.boun.edu.tr>

**Textbook:** Macroeconomics, 8<sup>th</sup> Edition by Gregory N. Mankiw  
ISBN-10: 1429240024  
(6<sup>th</sup> and 7<sup>th</sup> (or newer) editions are also acceptable as long as students using other versions of the book are responsible for keeping track of changes in the editions.)

**Prerequisites:** EC 102 Principles of Macroeconomics

**Course Objectives:** This course aims to give students a solid understanding of macroeconomics by studying modern macroeconomic theories. We will explore various aspects of macroeconomics by analyzing several well-established models with different features and assumptions. First, we will study the "classical theory" to understand what determines long-term levels of key macroeconomic variables like income, unemployment, inflation, and interest rates. Next, we will focus on short-run dynamics and real business cycles. We will use Keynesian IS/LM models to examine the causes of short-term fluctuations and how policymakers can adjust the economy in response to favorable or adverse shocks through fiscal and monetary policies. Finally, we will discuss the limitations of Keynesian models and explore the foundations of the "Real Business Cycle (RBC)" theory, which is based on the idea of optimal decision-making by economic agents.

**Grading:** The letter grade will be based on problem sets, midterm exams, and a cumulative final exam. The weights are as follows:

- 4 Problem Sets: 20% (each of which has a weight of 5%)
- 1 Midterm Exam: 35%
- Final Exam: 45%

The standard catalog grading protocol accepted at Boğaziçi University is as follows:

Grade	Interpretation	Weight	Grade
AA	Excellent	4.0	90%
BA	Good-Excellent	3.5	85-89%
BB	Good	3.0	80-84%
CB	Passing-Good	2.5	75-79%
CC	Passing	2.0	70-74%
DC	Passing-Poor	1.5	65-69%
DD	Poor	1.0	60-64%
F	Failed	0.0	0-59%

Yet, I reserve the right to modify the letter grade brackets based on the average and standard deviation of the cumulative grades of the class.

**Course Withdrawal:** Please check the last day for course withdrawal from the academic calendar page. Currently, the withdrawal period is in November 2023.

**Tentative Midterm Exam Date:**

- Midterm Exam: November 9<sup>th</sup>, 2023, Thursday

The midterm will be on the subjects covered up to the midterm date. The exam can be in-class or given after 17:00. Either way, it is imperative to be on time since extra time will not be given for late arrivals. The Midterm exam will have both multiple-choice and problem-solving & essay parts.

**Final Exam Requirements:** In order to be able to take the final exam, students are required to earn at least 40% of the available points on the midterm and problem sets. Students below this threshold may be announced on the course website before the final exam date and may not be allowed to take the final exam.

**Final Exam:**

- Final Exam: January 2024, TBA

The final exam will be comprehensive, with a greater weight on the post-midterm topics. Timeliness is required since extra time will not be given for late arrivals. The final exam will also be comprised of multiple-choice, problem-solving, and essay parts.

**Attendance:** Regular attendance is expected and very strongly recommended.

**Problem Sets:** There will be four problem sets, all of which will be graded, each contributing to 5% of your overall grade. Problem sets will be posted online, and their due dates will be announced on the course website. Please check the course website frequently not to miss deadlines.

**Problem Sessions (Recitations):** There will be biweekly problem sessions held by your teaching assistants (the date and time will be announced). Attendance is strongly recommended but not required.

**Communication:** E-mail will be used as the primary means of communication outside the classroom, and I will send e-mails whenever necessary to inform you of updates on the course. Please make sure that the e-mail address you have with the Registrar's Office is up to date so that you will not miss any of the announcements.

**Make-up Exam Policy:** All students must attend the midterm and final exams. Make-up exams will be granted only to those students whose excuse complies with the University policy. If you believe you are eligible to take a make-up exam, please inform me and provide the appropriate documentation as soon as possible, no later than one week (7 calendar days) after the exam, preferably before. Make-up exam requests should be directed to me in person with proper documentation (along with a clear written explanation of the reason for absence accompanied with valid excuse documents).

**Exam Re-grade Policy:** If, after going over your exam and the exam solutions, you believe some of your answers were more correct than initially judged to be, you may submit, in writing, an exam re-grade request. Your re-grade request must specify which solutions(s) you believe were not graded appropriately and a substantive explanation for why you believe your answers are more correct than judged initially (thus, re-grade requests that consist of essentially nothing more than "I think I should have received more points on this question" will not be considered). Your entire exam is subject to re-grade, raising the possibility of a lower grade. Exam re-grade requests are due no later than one week (7 calendar days) after exams are announced. This deadline applies even if you are not present in class the day graded exams are returned (it is your responsibility to pick up your graded exams in a timely manner).

**Accommodations:** Students requiring special accommodations for exams must contact me within the first two weeks of classes.

**Academic Integrity:** The undergraduate program of the Department of Economics is conducted within the framework of the Student Discipline Regulations of the Council of Higher Education (CoHE, Yükseköğretim Kurulu, YÖK in Turkish) and rules accepted by the Boğaziçi University Committee on Ethical Conduct. For the student discipline regulations by the TCHE (YÖK), see (in Turkish): <https://bit.ly/yoekdisiplin>

For the ethics code accepted by Boğaziçi University, see: <http://bit.ly/bounethics>

The students of the Department of Economics are also informed about the consequences of academic dishonesty in the EC 103 Orientation to Economics course. For a brief refresher, see:  
<https://bit.ly/bounplagiarism>

**Copyrights:** All course materials are copyrighted. Selling or distributing copies or modified copies of the instructors' course materials or assisting another person or entity in selling or distributing those materials without permission is strictly prohibited.

**Outline of topics:** The following is a sketch of topics we will cover this semester – it may be modified as the course progresses and is only *tentative*.

### Tentative Course Outline

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Chapter 1: The Science of Macroeconomics  
Chapter 2: The Data of Macroeconomics  
Chapter 3: National Income: Where It Comes from and Where It Goes  
Chapter 4: The Monetary System: What It Is and How It Works  
Chapter 5: Inflation: Its Causes, Effects, and Social Costs  
Chapter 7: Unemployment  
Chapter 8: Economic Growth I: Capital Accumulation and Population Growth  
Chapter 9: Economic Growth I: Technology, Empirics, and Policy  
Lecture Notes on Economic Growth  
Chapter 10: Introduction to Economic Fluctuations  
Chapter 11: Aggregate Demand I: Building the IS-LM Model  
Chapter 12: Aggregate Demand I: Applying the IS-LM Model  
Chapter 14: Aggregate Supply and the Short-Run Tradeoff Between Inflation and Unemployment  
Optimal Consumption: Mathematical Refresher (Handout Chapter -1)  
Optimal Consumption: Representative-Agent Macroeconomics (Handout Chapter 0)  
Optimal Consumption: Microeconomics of Consumer Theory (Handout Chapter 1)  
Optimal Consumption: Static Consumption Leisure Model (Handout Chapter 2)  
Optimal Consumption: Dynamic Consumption Saving Model (Handout Chapter 3)  
Optimal Consumption Chapter 4: Inflation and Interest Rates in the Consumption-Savings Model (Handout Chapter 4)  
Optimal Consumption Chapter 25: History of Macroeconomics  
Final Review (time permitting)